



UNITED STATES DEPARTMENT OF EDUCATION

Office of Federal Student Aid Programs
Office of the Chief Operating Officer

TO: Secretary Rod Paige
U.S. Secretary of Education

FROM: Theresa S. Shaw
Chief Operating Officer

RE: FSA Weekly Report

DATE: March 24, 2003

THE WEEK AHEAD

Regional Office Visit: COO Terri Shaw is scheduled to visit FSA's Atlanta regional office today.

Chief of Staff: Effective March 24, Debbie Price was named FSA's Chief of Staff. Tom Pestka, who was acting in that position, will head FSA's Borrower Services.

KEY NEWS

Application Activities For Week Ending March 14, 2003: CPS has processed 11,765,074 FAFSA applications for the 2002-2003 cycle and 3,316,803 for the 2003-2004 cycle.

Total FSA Default Recoveries: Total FSA Default Recoveries for the fiscal year reached \$674.7 million, up 20% from the same period in FY02. Total non-consolidation recoveries reached \$535.1 million, up 41% over the same period in FY02. Combined Recoveries from our private collection agency efforts reached \$423.5 million, up 28% over the same period in FY02.

New Products for Financial Aid Professionals: FSA posted three new items to the *Information for Financial Aid Professionals* ("IFAP") web site:

1. A Common Origination and Disbursement computer-based training module was added to the IFAP and offered to customers to download.
2. The New EDEXpress Basics computer-based training module, developed by FSA University, was successfully added to the IFAP server.
3. New information for counselors developed by Student Aid Awareness.

Status of Unprocessed De-Obligations: In November 2002, the Department alerted over 700 schools to an impending "Stop Pay" action as a result of their failure to resolve outstanding unprocessed de-obligations. (An unprocessed de-obligation results when the net amount of cash that a school has drawn from the Treasury exceeds the necessary amount.)



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As of February 17, cash flows were stopped to schools participating in the Pell Grant and Campus-Based Programs that did not resolve their unprocessed de-obligations. A total of 140 schools (out of approximately 5,000) with unprocessed de-obligations totaling \$1.5 million were affected. As of March 19, 53 schools remain in a stop pay status, with de-obligations of approximately \$500,000. The Department's OCFO will restore funding to affected schools that work to resolve these unsupported balances.

FSA Data Mart Maintenance and Support: FSA agreed to extend for 12 months the current operational support contract for the Financial Partners Data Mart ("FPDM") and the Credit Management Data Mart ("CMDM"). Existing support was due to expire in April 2003 and the extension of the contract ensures uninterrupted business operations of the data marts and allows FSA sufficient time to select a permanent maintenance contractor.

ACCOUNTING: The FSA Cash Team worked with ACS and Direct Loan Servicing System personnel to develop a process to resolve internal control issues that caused an annual recurring set of unmatched transactions in the Checkfree reconciliation tool.

FSA ADMINISTRATION: FSA Administration is reviewing its procedures regarding the use of the government purchase card. This review is an on-going proactive effort to maintain a high compliance level for the upcoming year-end audit.

GAO Briefing – Enterprise Architecture: On March 17, 2003, FSA CIO and ED CIO jointly briefed the GAO on the Department's Enterprise Architecture. The objective was to demonstrate integration through a common architecture across the Department.

ON THE HORIZON

Regional Office Visit: On April 15, COO Terri Shaw is scheduled to visit FSA's Boston regional office. Shaw is scheduled to visit the New York office on April 16.

Release of Dear Colleague Letter: Next week, we anticipate the release of the Dear Colleague letter providing guidance on administrative relief for students and borrowers affected by military mobilizations. We will be working with the student aid community to ensure a seamless implementation.

Federal CIO Council – Components Subcommittee: On March 18, FSA was asked to lead an interagency team tasked with conducting a comparative analysis of component-based enterprise architecture systems in an effort to identify a model for Federal agencies. A white paper summarizing results of the analysis will be drafted and presented to the full Components Subcommittee for approval prior to submission to OMB for distribution.



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Department-wide Architecture Working Group: The Architecture Working Group is reviewing Computer Aided Software Engineering (“CASE”) tools for implementation across the Department. This effort incorporates a wide range of Business Process needs including Data Architecture and Enterprise Architecture requirements. A CASE tool decision is expected by March 31.

CONTACT INFORMATION

Please contact Chris Greene at 377-4003 with any questions.